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25 Apr 86

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EXDIS CONTRA, FOR EXDIS CONTRA DISTRIBUTION

FROM AMBASSADOR HABIB

E.O. 12356: DECL:OADR
 TAGS: PREL, XK, BR, NU
 SUBJ: HABIB TRIP: MEETINGS IN BRAZIL

1. SECRET ENTIRE TEXT.

2. SUMMARY AND COMMENT: THE BRAZILIANS UTILIZED MY VISIT TO PROBE FOR THE BOTTOM LINE OF OUR POLICY TOWARD CONTADORA AND NICARAGUA. IN PARTICULAR, THEY WANT TO KNOW IF WE ARE WILLING TO SETTLE FOR A "YUGOSLAV" OUTCOME (I.E., THE SANDINISTAS STAY IN POWER), TRADING OFF POLITICAL OBJECTIVES FOR A SATISFACTORY AGREEMENT ON SECURITY. I STRONGLY AFFIRMED THE IMPORTANCE OF ALL OF THE CONTADORA'S OBJECTIVES. I SAID THAT WE STAYED OUT OF CONTADORA BECAUSE THE CONTADORA COUNTRIES DEFINED THEIR OBJECTIVES TO INCLUDE NATIONAL RECONCILIATION AND DEMOCRATIZATION. CONTADORA COULD NOT START CHANGING THE OBJECTIVES NOW, I SAID. OTHER POINTS OF INTEREST WERE THE BRAZILIAN OBSERVATION THAT MEXICO'S SEPULVEDA HAD BEEN IN FREQUENT TELEPHONE CONTACT WITH ORTEGA THROUGHOUT THE PANAMA MEETING. I.E., IT WAS NOT JUST D'ESCOTO WHO WAS UNYIELDING, AND THAT PANAMA'S ABADIA HAS SENT WORD THAT NICARAGUA IS NOW WILLING TO SIGN "THE" CONTADORA ACTA. ABADIA'S CABLE BARELY STOPPED SHORT OF A FORMAL INVITATION TO BE PRESENT JUNE 6. THE BRAZILIANS HAVE HEARD NOTHING ABOUT FURTHER NEGOTIATIONS, HOWEVER, AND BELIEVE THE PANAMANIAN ARE STICKING THEIR NECKS OUT IN EXPRESSING SUCH CONFIDENCE. BRAZILIAN OPPOSITION TO PARTICIPATION IN ANY PEACEKEEPING ARRANGEMENT WAS EXPRESSED OPENLY, BUT ACTING FOREIGN MINISTER FLECHA DE LIMA SAID BRAZIL COULD GIVE MATERIAL SUPPORT TO A SUPERVISORY COMMISSION. PRESIDENT SARNEY SPOKE OF THE BRAZILIAN DECISION TO JOIN THE SUPPORT GROUP IN FAMILIAR TERMS -- TO KEEP CONTADORA ALIVE AND TO SHIELD BRAZILIAN DOMESTIC POLITICS FROM REPERCUSSIONS FROM CENTRAL AMERICA.

END SUMMARY AND COMMENT.

interesting tidbit

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3. CHARGE WATSON AND I MET WITH ACTING FOREIGN MINISTER FLECHA DE LIMA AND HIS TOP ADVISERS FOR NEARLY TWO HOURS APRIL 24. ARA/CEN OFFICER HAMILTON (NOTETAKER) ALSO PARTICIPATED. OTHER MEMBERS OF MY PARTY AND EMBASSY STAFF JOINED US FOR MORE DISCUSSION OVER LUNCH AT ITAMARATY. CHARGE WATSON HOSTED A RETURN DINNER WITH MANY OF THE SAME OFFICIALS PLUS GENERAL IVAN DE SOUZA MENDES, HEAD OF THE NATIONAL INTELLIGENCE SERVICE, AND GENERAL CARLOS OLAVO GUIMARAES OF THE ARMY MINISTER'S STAFF. WE ALSO MET SEPARATELY, FOR A MORE GENERAL DISCUSSION, WITH PRESIDENT SARNEY.

4. I BEGAN WITH THE SAME POINTS I'VE STRESSED AT OTHER STOPS. MY INSTRUCTIONS ARE TO EXPLORE THE POSSIBILITIES OF A DIPLOMATIC SOLUTION; AS INDICATED BY MY LETTER OF APRIL 11, WE WILL SUPPORT AND ABIDE BY A SOLUTION THAT IS COMPREHENSIVE, VERIFIABLE AND SIMULTANEOUS IN IMPLEMENTATION. BUT WE WILL NOT ACQUIESCE IN PIECEMEAL SOLUTIONS OR THAT DO NOT OTHERWISE MEET THESE CRITERIA. WE BELIEVE THAT SETTING DEADLINE FOR REACHING A SOLUTION IS BENEFICIAL. FROM CONSULTATIONS WITH THE CENTRAL AMERICANS, WE KNOW THAT THEY ARE WILLING TO NEGOTIATE A COMPREHENSIVE SOLUTION IN GOOD FAITH. THE CENTRAL AMERICANS ARE CONCERNED, HOWEVER, THAT THE SUPPORT GROUP COUNTRIES IN PARTICULAR ARE WILLING TO SETTLE FOR ANY AGREEMENT AND THAT THEY WILL CONCEDE NICARAGUA WHAT EVER IT WANTS TO GET AN AGREEMENT.

5. ACTING FOREIGN MINISTER FLECHA DE LIMA SKETCHED OUT BRAZIL'S GENERAL POSITION IN RESPONSE. BRAZIL HAS NO TRADITION OF INVOLVEMENT IN CARIBBEAN AND CENTRAL AMERICAN MATTERS, EXCEPT FOR THE DOMINICAN REPUBLIC IN 1965, A CONTROVERSIAL EXPERIENCE THAT STILL CONDITIONS BRAZILIAN ATTITUDES TOWARD PEACE-KEEPING EXERCISES. BRAZIL HAS NOT "KNOCKED ON ANYONE'S DOOR" TO GET INVOLVED IN CENTRAL AMERICA. BUT CONCERN THAT CENTRAL AMERICA COULD HAVE REPERCUSSIONS FOR BRAZIL LEAD THE SARNEY GOVERNMENT TO PARTICIPATE IN THE SUPPORT GROUP. BRAZIL IS ALSO CONCERNED THAT AGGRAVATION OF THE SITUATION IN CENTRAL AMERICA, COMBINED WITH NEW CONFLICT WITH OTHER NATIONS (READ LIBYA), WILL DIMINISH POSSIBILITIES FOR A U.S.-SOVIET DIALOGUE. ALTHOUGH BRAZIL IS PARTICIPATING

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IN THE SUPPORT GROUP, ITS PERSPECTIVE IS THAT OF AN ONLOOKER, NOT A FULL-FLEDGED MEMBER OF THE CONTADORA GROUP. THIS POINT WAS MADE REPEATEDLY IN VARIOUS WAYS IN SIDE CONVERSATIONS BY OTHER BRAZILIAN OFFICIALS.

6. FLECHA DE LIMA SAID HE AGREES THAT THE NICARAGUANS WERE INTRANSIGENT AT PANAMA. IT WAS NOT JUST D'ESCOTO, HOWEVER, WHO WAS HANGING TOUGH. MEXICO'S SEPULVEDA SPOKE BY PHONE MANY TIMES DURING THE WEEKEND WITH ORTEGA, WHO WAS JUST AS UNYIELDING. BUT ACCORDING TO PANAMA'S ABADIA, THE NICARAGUANS HAVE NOW CHANGED THEIR POSITION. BRAZIL RECEIVED A

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TELEX FROM ABADIA CIRCA APRIL 22 THAT, WHILE NOT QUITE A FORMAL INVITATION TO A JUNE 6 SIGNING CEREMONY, WAS THE NEXT THING TO IT. THE BRAZILIANS BELIEVE THE PANAMANIAN ARE ASSUMING GREAT RISK SINCE IT IS FAR FROM CERTAIN THAT THERE WILL BE ANYTHING TO SIGN. IT WOULD HAVE BEEN MORE PRUDENT TO RECONVENE NEGOTIATIONS FIRST. THE BRAZILIANS ASSUME THAT NEGOTIATIONS WILL BE RESUMED, BUT SAY THEY HAVE NO WORD AS TO WHEN. FLECHA DE LIMA ALSO ACKNOWLEDGED THAT THE CONTADORA ACTA IS FAR FROM BEING READY TO SIGN AND IMPLEMENT. NOTING THAT A SWISS-NEGOTIATED PEACEKEEPING ARRANGEMENT IN 1956 RAN MORE THAN 100 PAGES IN THE BASIC LETTER OF REFERENCE ALONE, HE CONVEYED AN IMPRESSION THAT THE BRAZILIANS HAVE LITTLE RESPECT FOR THE WAY THE CONTADORA COUNTRIES ARE APPROACHING THESE ISSUES. I EMPHASIZED THAT THIS APPARENT LACK OF PROFESSIONAL ATTENTION TO THE DETAILS OF HOW AN AGREEMENT COULD BE EFFECTIVELY IMPLEMENTED CAUSES US GREAT CONCERN. IN THE U.S. VIEW, AGREEMENTS OF THIS SORT REQUIRE A COMBINATION OF POLITICAL WILL AND EFFECTIVE MECHANISMS TO MAKE THEM WORK. THEY ARE NOT SELF-ENFORCING AND GOOD WILL IS NOT ENOUGH. BRAZILIAN PRESENCE IN THE PROCESS IS REASSURING TO US. I SAID, PRECISELY BECAUSE THEY APPROACH SUCH MATTERS PROFESSIONALLY AND SERIOUSLY.

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7. FLECHA DE LIMA SAID THERE HAD BEEN SOME MISUNDERSTANDING ABOUT BRAZILIAN INTENTIONS TOWARD POSSIBLE PEACEKEEPING ARRANGEMENTS. BRAZIL IS PREPARED TO SUPPORT SUCH ARRANGEMENTS, EVEN MATERIALLY. BUT OWING TO ITS "LACK OF FAMILIARITY" WITH THE REGION, BRAZIL IS NOT PREPARED TO PARTICIPATE WITH TROOPS. MOREOVER, IT DOES NOT BELIEVE THAT ANY LATIN AMERICAN TROOPS SHOULD BE INVOLVED; THEY WOULD BE A "TARGET FOR SABOTAGE." BETTER TO LET OUTSIDERS WITH EXPERIENCE -- E.G., THE FINNS AND AUSTRALIANS -- PROVIDE THE SOLDIERS. FLECHA DE LIMA SAID TOMAS BORGE HAD ARRIVED IN BRASILIA WITH THE MISTAKEN IMPRESSION THAT BRAZIL OPPOSES PEACEKEEPING ARRANGEMENTS ALTOGETHER. IT TOOK SOME DOING TO CONVINCE HIM OTHERWISE. I PICKED UP ON THIS SUBJECT TO REGISTER OUR OPPOSITION TO THE PROPOSED COSTA RICAN/NICARAGUAN BORDER COMMISSION AS JUST THE KIND OF PIECEMEAL APPROACH THAT UNDERCUTS CHANCES FOR A COMPREHENSIVE SOLUTION.

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8. FLECHA DE LIMA NEXT RAISED SEVERAL QUESTIONS WITH ME. DID OUR INSISTENCE ON SIMULTANEITY MEAN THAT EVERYTHING HAS TO BE DONE AT ONCE? I EXPLAINED THAT THE STRUCTURE OF THE ACTA LEAVES SOME ISSUES FOR FUTURE NEGOTIATION EVEN AS COMMITMENTS ON OTHER ISSUES ARE BEING IMPLEMENTED. THIS IS WHAT WE MEAN BY THE LACK OF SIMULTANEITY. A COMPREHENSIVE AGREEMENT COULD PROVIDE FOR IMPLEMENTATION OF SOME COMMITMENTS BEFORE OTHERS. BUT SIGNING AN AGREEMENT THAT HAS NOT BEEN FULLY NEGOTIATED VIOLATES THE PRINCIPLE OF SIMULTANEITY.

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9. FLECHA DE LIMA ASKED IF WE REGARD MILITARY AID TO THE CONTRAS AS ESSENTIAL. I SAID THAT WE DO, BUT AS PRESSURE IN SUPPORT OF NEGOTIATIONS. IN A SERIES OF QUESTIONS AND EXCHANGES THAT INVOLVED PRESIDENTIAL ADVISER RICUPERO AS WELL AS FLECHA DE LIMA, THE BRAZILIANS PROBED FOR OUR BOTTOM LINE. WOULD WE ACCEPT A CONTADORA AGREEMENT THAT LEAVES THE SANDINISTAS IN POWER? WOULD A YUGOSLAV OUTCOME BE ACCEPTABLE? I INDICATED THAT THE QUESTION ITSELF DISTURBS US, BECAUSE IT SUGGESTS THAT THE CONTADORA MEDIATORS ARE

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NOT TAKING CONTADORA'S DECLARED OBJECTIVES SERIOUSLY. WE WANT THE SANDINISTAS TO DO WHAT A CONTADORA AGREEMENT REQUIRED THEM TO DO: HOLD REGULAR, FREE AND FAIR ELECTIONS; OPEN A DIALOGUE WITH THEIR OPPOSITION; LIFT PRESS RESTRICTIONS; AND ALL THE REST. THESE ARE CONTADORA OBJECTIVES THAT NICARAGUA HAS ACCEPTED, I SAID. THE CONTADORA COUNTRIES TOLD US AT THE OUTSET THAT THEY WILL PURSUE THESE OBJECTIVES AND WE STAYED OUT OF CONTADORA BECAUSE WE WERE TOLD THAT A SOLUTION INCORPORATING THEM WOULD BE ATTAINED. THE CONTADORA COUNTRIES HAVE ASSUMED A RESPONSIBILITY TO PRODUCE NOTHING LESS THAN A COMPREHENSIVE AGREEMENT. "DON'T START CHANGING THE OBJECTIVES OF CONTADORA AT THIS POINT," I CONCLUDED.

10. RICUPERO FOLLOWED UP. WHAT WILL WE DO IF OUR POLICY DOES NOT WORK? IF THE U.S. HOLDS OUT FOR DEMOCRATIZATION AND DOES NOT GET IT, WON'T IT IN THE END HAVE TO SETTLE FOR NOTHING AT ALL, I.E. THE SANDINISTAS CONSOLIDATED IN POWER WITH THE CUBANS STILL THERE? I SAID IF THE SANDINISTAS REJECT A COMPREHENSIVE SOLUTION, THE PRESIDENT WILL GET ALL THE RESOURCES HE NEEDS FROM THE CONGRESS AND THE SANDINISTAS WILL HAVE A SERIOUS PRICE TO PAY. A LONG DISCUSSION OF CONTRA CAPABILITIES ENSUED, WITH THE BRAZILIANS CLEARLY DOUBTFUL THAT THE CONTRAS CAN EVER BRING STRONG MILITARY OR POLITICAL PRESSURE TO BEAR. I ARGUED THAT GIVEN SUBSTANTIAL, SUSTAINED SUPPORT THEY CAN DO BOTH.

11. FLECHA DE LIMA'S HEAD OF CABINET, SANTOS NEVES, WHO WAS AT THE PANAMA MEETING, SAID THAT DEMOCRACY AND NATIONAL RECONCILIATION WERE NOT EVEN DISCUSSED AT PANAMA. PANAMA DEALT WITH WHETHER THE CENTRAL AMERICANS ARE PREPARED TO COMMIT THEMSELVES TO SIGN AN AGREEMENT JUNE 6. NICARAGUA'S CHIEF CONCERN, AS IT WAS EXPRESSED AT PANAMA, IS SECURITY. AS D'ESCOTO EXPLAINED IT REPEATEDLY, THE CONTADORA ACTA AS PRESENTLY CONCEIVED DOES NOT MEET NICARAGUA'S SECURITY CONCERNS, BECAUSE IT DOES NOT OBLIGATE THE UNITED STATES. NICARAGUA, ACCORDING TO D'ESCOTO, DOES NOT CONSIDER ITS NEIGHBORS ENEMIES -- ONLY THE UNITED STATES. NICARAGUA WAS THEREFORE EMPHASIZING THAT U.S. AGGRESSION HAD TO CEASE BEFORE SIGNATURE. I COUNTERED THAT THIS IS A FALSE ISSUE AND HAD HAMILTON EXPLAIN HOW WE HAD DEALT WITH THE SAME QUESTION AT MANZANILLO. IN THOSE DISCUSSIONS WE HAD INDICATED THAT A BINDING U.S. COMMITMENT WOULD NOT BE A PROBLEM IF THE SUBSTANCE OF AN AGREEMENT COULD BE WORKED OUT. THE NICARAGUANS ONLY RAISED THE ISSUE AT MANZANILLO WHEN, SENSING THAT WE WERE SERIOUS ABOUT A SETTLEMENT, BEGAN TO CAST ABOUT FOR PRETEXTS TO DUCK OUT.

12. THE MEETING WITH PRESIDENT SARNEY WAS MUCH SHORTER, AMICABLE, AND GENERALLY DEVOID OF SPECIFICS. SARNEY (AND FLECHA DE LIMA IN THE FIRST MEETING) PROFESSED TO DERIVE REASSURANCE FROM THE FACT OF MY APPOINTMENT. I TOLD BOTH THAT MY INSTRUCTIONS FROM THE PRESIDENT AND SECRETARY ARE TO EXPLORE EVERY POSSIBLE AVENUE FOR A SOLUTION. SARNEY EXPLAINED

*no discussion of
democracy & national
reconciliation*

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BRAZIL'S DECISION TO JOIN THE SUPPORT GROUP AS AN
EFFORT TO OVERCOME INERTIA AND TO PREVENT A POSSIBLE
ESCALATION IN CENTRAL AMERICA OUT OF CONCERN FOR
THE IMPACT IT WOULD HAVE ON BRAZILIAN POLITICS. AS DID
FLECHA DE LIMA AND HIS COLLEAGUES, SARNEY STRESSED THAT
BRAZIL'S ROLE IN CONTADORA IS TO SUPPORT, NOT TO TAKE
INITIATIVES OR EVEN TO ACT IN PARALLEL. THIS EMPHASIS
STOOD IN CONTRAST TO WHAT WE HEARD IN ARGENTINA AND
URUGUAY.
WATSON

END OF MESSAGE

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